ESTTA Tracking number: **ESTTA640074**

Filing date: **11/19/2014**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92059992
Party	Plaintiff Spoonjack LLC
Correspondence Address	TOM SCHARFELD SPOONJACK LLC 220 LOMBARD STREET, SUITE 217 SAN FRANCISCO, CA 94111 UNITED STATES tas@spoonjack.com
Submission	Opposition/Response to Motion
Filer's Name	Tom Scharfeld
Filer's e-mail	tas@spoonjack.com
Signature	/Tom Scharfeld/
Date	11/19/2014
Attachments	can_trump_3391095_disresp.pdf(200381 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPOONJACK LLC d/b/a SPOONJACK,

Petitioner,

v.

DONALD J. TRUMP,

Registrant.

Cancellation No. 92059992

Reg. No. 3391095
Mark: TRUMP
Issued: March 4, 2008

PETITIONER'S OPPOSITION TO REGISTRANT'S MOTION TO DISMISS

Petitioner Spoonjack LLC ("Petitioner") hereby opposes Registrant Donald J. Trump's ("Registrant") Motion to Dismiss the Petition to Cancel (the "Petition") Registration No. 3391095 for the mark TRUMP (the "Registration").

I. Introduction

Petitioner has petitioned to cancel the Registration on grounds that Registrant has committed fraud in the filing of its Combined Declaration of Use and Incontestability under Sections 8 and 15, by knowingly making a material misrepresentation to the PTO, so that it could obtain incontestability for the Registration, a right to which it is not entitled. As Petitioner notes, Registrant misrepresented that no proceeding involving Registrant's right to register the mark, for the listed services, was pending and not disposed of in the PTO, in spite of the fact that Petitioner's counterclaim against the Registration was pending in Opposition No. 91203345. Given the legal effects, and the persuasive effects as a deterrent to third party use and registration, Registrant sought to obtain incontestability so that he could rely on it in dispute of others' marks, including Petitioner's and that of Application Serial No. 86/116,700. Indeed, only months after obtaining incontestability, Registrant, through the same counsel representing him here and in Opposition No. 91203345, initiated Opposition No. 91217618 against Application Serial No. 86/116,700, asserting the Registration and its incontestability.

Registrant has moved to dismiss on three grounds, none of which have merit. Registrant attempts to argue (1) that Petitioner lacks standing in spite of the fact that

Registrant brought its opposition (No. 9120334), asserted the Registration as a weapon, and Petitioner has a clear interest in ensuring it is not attacked or threatened with it again before the courts or in another proceeding before the Board; (2) that Registrant has mooted Petitioner's claim of fraud through its attempts to withdraw its false claims, relying on a not only irrelevant, but also non-precedential decision, and, (3) that Petitioner has failed to adequately plead fraud, specifically the element of intent, in spite of Petitioner having alleged all of the necessary elements in accordance with the Board's well-established precedential guidance.

Following a brief review of the standard for a motion to dismiss, Petitioner addresses each of these arguments in turn.

II. Argument

A. Standard for a Motion to Dismiss

In order to survive a motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6), a petitioner's complaint must allege facts which would, if proved, establish that: (1) petitioner has standing to maintain the proceeding; and (2) there is a valid ground for cancelling the Registrations. *Robert Doyle v. Al Johnson's Swedish Restaurant & Butik, Inc.*, 101 USPQ2d 1780 (TTAB 2012); *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); TBMP § 503.02 (2014).

As set forth below, Petitioner has met this standard.

B. Petitioner has standing

Registrant attempts to argue that Petitioner lacks standing given that Registrant's opposition (Opp. No. 91203345) was dismissed with prejudice following withdrawal.[1]

Standing is a threshold inquiry directed solely to establishing a plaintiff's interest in the proceeding. The purpose in requiring standing is to prevent litigation where there is no real controversy between the parties, i.e., where a plaintiff is no more than a mere intermeddler. In order to assert a legally sufficient pleading of standing, a plaintiff must plead facts which, if later proved, would establish that the plaintiff has a real interest in the

[1] While Registrant makes a point of pointing out that 1 year has passed since Registrant's opposition in proceeding No. 91203345 was dismissed, the counterclaim continued.

outcome of the proceeding, that is, a personal interest in the outcome of the case beyond that of the general public. *See Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 U.S.P.Q.2d 2021 (Fed.Cir.1987); *International Order of Job's Daughters v. Lindeburg and Company*, 727 F.2d 1087, 220 USPQ 1017 (Fed.Cir.1984); and *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982)

The issue here is thus whether Registrant's withdrawal and the resulting dismissal with prejudice precludes Petitioner's "real interest" in the proceeding. As set forth as follows, it does not. Petitioner, indeed, has a "real interest" and has standing.

In short, the fact that Registrant brought an action against Petitioner and used its registration as a weapon, is enough to demonstrate Petitioner's real interest in ensuring that the same registration will not be asserted against it in the future.

This is just as the Board held in *Syntex (U.S.A.) Inc. v. E.R.. Squibb & Sons Inc*., 14 USPQ2d 1879, 1880 (TTAB 1990).

In *Syntex*, after the Board dismissed the subject opposition finding no likelihood of confusion, the applicant elected to pursue its counterclaim. The opposer, in turn, filed a motion to dismiss alleging that because the Board found that there is no likelihood of confusion between the parties' marks, applicant is not damaged by opposer's registration and thus has no standing to maintain the counterclaim. *Syntex,* 14 USPQ2d at 1880. In its decision, the Board addressed whether applicant had a "real interest" and standing not only before dismissal, but also after.[2] [3]

The Board stated,

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[2] On this issue, whether a claim is brought as a counterclaim in the same proceeding, or a claim in another proceeding, is irrelevant. As stated in TBMP 309.03(b), "**a real interest in the proceeding... may be found where plaintiff pleads (and later proves) that the defendant has relied on its ownership of its application or registration in another proceeding between the parties**." (emphasis added). See *Tonka Corp. v. Tonka Tools, Inc.*, 229 USPQ 857, 859 (TTAB 1986) (petitioner has standing to cancel registration that has been asserted, even defensively, in a civil action) and *M. Aron Corporation v. Remington Products, Inc*., 222 USPQ 93, 96 (TTAB 184).

[3] While standing is assessed at the time of filing, the issue determined by the Board in *Syntex* of direct relevance to the case here, is whether the applicant/counter-plaintiff had a "real interest" in the proceeding after the dismissal with prejudice of the opposition. As the Board held, it does.

> In our view, the fact that opposer has brought an action against applicant and used its registration as a weapon in this proceeding is enough to demonstrate applicant's interest in ensuring that the same registration will not be asserted against it in the future.
>
> The Board explained,
>
> Applicant has been threatened by opposer with opposer's registration. Applicant, far from being an intermeddler, has been forced into a litigation as the result of opposer's action. While opposer has retired from the lists in this proceeding, its weapon, i.e., its registration, is still a valid force which may be asserted against applicant in the context of a court action or even another proceeding before the Board. [2]
>
> ___
>
> [2] We note that the dismissal of the opposition in this proceeding would prevent opposer from asserting its registration against the registration that will issue from applicant's present application. However, opposer's registration could be asserted if applicant were to seek to register a variant mark or even the same mark for different goods.

Syntex, 14 USPQ2d at 1880.

In the present case, as Petitioner points out in Paragraph 2 of the Petition, Registrant brought an action against Petitioner and used its registration as a weapon. As held in *Syntex*, this is enough to demonstrate Petitioner's real interest in ensuring that the same registration will not be asserted against it in the future, whether it be in an action before the courts, or in another proceeding before the Board.

On that point, Registrant's additional arguments are baseless. As to Paragraph 11 of the Petition,

> 11. Registrant knowingly made a material misrepresentation to the PTO in order to obtain incontestability for Registration No. 3391095, so that he could rely on it in dispute of Petitioner’s mark depicted in Application Serial No. 85/208,303.

"reliance on [incontestability status] in dispute" pertains to any action in dispute, including, action before the courts - it is not confined to a TTAB proceeding as Registrant improperly alleges in attempt to support its flawed argument. Further, it is not confined merely to reliance in support of a claim or defense; it also pertains to reliance in support of an attempt to dissuade a party from use (as Registrant has done in its notice of opposition pleadings; see, for example, Petition Para. 6). As to assertion of other rights or intentions, Petitioner need not identify any other "registrations at issue or any other rights in or intentions regarding [it's mark]. Registrant's reliance on *American Vitamin Prods. Inc. v. Dowbrands*

Inc., 22 U.S.P.Q.2d 1313, 1314 (T.T.A.B. 1992) is misplaced. Unlike here, in *American Vitamin Prods*. there was no existing dispute of record to establish standing; accordingly plaintiff merely had to express an intention to use a mark.

In view of the foregoing, Petitioner has established a "real interest in the proceeding," is far more than a "mere intermeddler," and has sufficiently pleaded standing.

C. Petitioner's claim of fraud is not moot; there is a valid ground for cancellation

Registrant attempts to argue that its "efforts" to undo affects of its purported "mistake" after learning of the petition moots Petitioner's claim. In doing so, Registrant relies on one case, *C. & J. Clark International Ltd. v. Unity Clothing Inc.*, Canc. No. 92049418 (T.T.A.B. Apr. 24, 2013), aff'd per curiam, 561 F. App'x 921 (Fed. Cir. 2014). For several reasons, this case provides absolutely no basis on which to support dismissal under FRCP 12(b).

First, contrary to Registrant's misleading assertion, the *C. & J. Clark* decision is *non-precedential* by both the Board, and the CAFC in its Rule 36 affirmation.[4] Second, it does not address whether fraud was adequately *pleaded*, but rather only addresses whether fraud was adequately *proved*. Finally, it involves entirely different circumstances than the present case.[5] *C. & J. Clark* simply provides no basis on which to support a motion to dismiss and warrants no consideration.

Registrant next suggests fraud in the filing of a Section 15 Declaration does not constitute a ground to cancel the Registration. This is completely false. The Board has

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[4] Registrant refers to C. & J. Clark in stating its second ground for dismissal, "…*recent TTAB precedent* confirms that Registrant's prompt and comprehensive efforts to fix the mistaken filing and undo its affects render Spoonjack's fraud claim moot." Registrant's Brief at 14 (emphasis added)

[5] At issue was whether fraud was committed in the filing of an application for registration. In spite of this, Registrant goes as far as stating here,

> Because Registrant has already petitioned the Director to withdraw the erroneous Section 15 Declaration and the Director will presumably grant the request in due course, Spoonjack is entitled to no further relief than the petitioner received in *C. & J. Clark* with respect to the Section 15 Declaration. Accordingly, the Spoonjack Petition to Cancel should be dismissed.

Registrant's Brief at 15-16. This argument is absurd. A fraudulent Section 15 declaration was not at issue or the subject of any claim in *C. & J. Clark*, so, of course, no relief could be received.

established that fraud in the filing of a Section 15 Declaration constitutes a ground to cancel a registration. *Robi v. Five Platters, Inc.,* 918 F.2d 1439, 1444 (9th Cir. 1990). *See also Crown Wallcovering Corp. v. Wallpapers Manufacturers Ltd.*, 188 U.S.P.Q. 141, 143-44 (TTAB 1975).

As the Board states in *Crown Wallcovering*,

> [I]t is clear that the filing of a fraudulent Section 15 affidavit would enable a registrant to obtain a new right, namely, incontestability, to which he would not otherwise be entitled; i.e., to obtain the right to have his registration accepted as conclusive evidence, rather than merely prima facie evidence, of registrant's exclusive right to use the registered mark in commerce. Under such circumstances, it is adjudged that the filing of a fraudulent Section 15 affidavit constitutes a ground for cancelation of the involved registration within the purview of Section 14(c).

Crown Wallcovering, 188 U.S.P.Q. at 143-144.

In view of the foregoing, Registrant's argument that by seeking to eliminate the incontestable status of the Registration, the petition to cancel is moot "for all practical purposes," is meritless. Petitioner has alleged valid grounds to cancel the Registration.

D. Petitioner has sufficiently pleaded fraud

Registrant attempts to argue that Petitioner has failed to adequately plead Registrant's intent to deceive the PTO. As set forth below, Registrant's argument is meritless.

Fraud in maintaining a registration occurs when a registrant knowingly makes a false, material representation of fact in connection with a Section 8 and/or 15 declaration for renewal. *See Torres v. Cantine Torresella S.R.L.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). In order to properly plead a claim of fraud in a trademark cancellation proceeding, a petitioner must allege with particularity that the respondent knowingly made a false, material misrepresentation when procuring or maintaining a registration, with intent to deceive the USPTO. *Enbridge Inc. v. Excelerate Energy LP*, 92 USPQ2d 1537, 1540 (TTAB 2009).

Intent, as a condition of mind of a person, may be averred generally. Fed. R. Civ. P. 9(b) ("Malice, intent, knowledge, and other conditions of a person's mind may be alleged generally."). *See also DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086,

1089 (TTAB 2010) (finding allegations of material misrepresentations knowingly made to procure a registration constitute sufficient allegation of intent element for pleading fraud).

In *DaimlerChrysler,* the Board provided guidance on what constitutes a well-pleaded claim of fraud, including specifically, a well-pleaded allegation of intent to deceive. In this case, *DaimlerChrysler* is directly on point.

In *DaimlerChrysler*, the Board singles out DaimlerChrysler's allegation of its Para. No. 30,

> 30. Respondent knowingly made material misrepresentations to the PTO to procure Registration No. 2,949,439.

This allegation follows from its preceding allegations, which allege that (1) registrant made representations in procuring its registration (specifying the date and the representation), that (2) the representations were false, and, that (3) registrant knew they were false. Following Para. 30, it allegations allege that (4) the PTO relied on the representations, and that (5), they PTO would not have issued the registration but for the false representations.

The Board states,

> In this case, petitioner has sufficiently pled a fraud claim, including that respondent had the requisite intent to deceive the USPTO in the procurement of its registration. More specifically, petitioner asserts that respondent knowingly made material misrepresentations to the Office in order to procure the registration. Para. No. 30, supra. The allegations preceding and following this assertion state with particularity numerous, specific representations of fact that petitioner alleges were false and were known to be false, were material, and were relied upon by the Office. Further, **we find the assertions in para. No. 30, combining the references "material misrepresentations" "knowingly made" and "to procure" a registration, to constitute an allegation of respondent's intent.** That is, **where a pleading asserts that a known misrepresentation, on a material matter, is made to procure a registration, the element of intent, indispensable to a fraud claim, has been sufficiently pled.**

DaimlerChrysler, 94 USPQ2d at 1088, 1089 (emphasis added).

This finding is equally applicable to Petitioner's allegations here. As is evident on their face, Petitioner's pleadings are constructed similarly to *DaimlerChrysler'*s pleadings. In particular, Petitioner's Paragraph 9,

> 9. Registrant knowingly made a material misrepresentation to the PTO in order to obtain incontestability for Registration No. 3391095, a right to which Registrant is not entitled.

is much like *DaimlerChrysler's* Paragraph 30, supra.

In addition, much like the allegation of *DaimlerChrysler*'s Paragraph 30, the allegation of Petitioner's Paragraph 9 follows from its respective preceding allegations which set forth and allege that (1) registrant made a representation in maintaining the registration (specifying the date and the representation), that (2) the representation was false, and that (3) registrant knew its was false. And, again like DaimlerChrysler, following Para. 9, allegations allege, *inter alia*, that (4) the PTO relied on the representation, and that (5) the PTO would not have acknowledged the Section 15 declaration but for the false representation.

In view of the foregoing, Petitioner has sufficiently pleaded a fraud claim, including the element of intent. In spite of this, Petitioner has gone even further, providing additional allegations and factual support indicative of Registrant's intent. See Paragraphs 10-12 of the Petition, which follow from their preceding paragraphs.

As to Registrant's argument that Paragraph 9 is a tautology, Petitioner notes that this is simply incorrect. The assertions in Paragraph 9, namely "material misrepresentation" "knowingly made" and "to obtain incontestability," which follow from the allegations of the preceding paragraphs, constitute an allegation of Registrant's intent much like the Board found those of Paragraph 30 did in *DaimlerChrysler*. *DaimlerChrysler,* 94 USPQ2d at 1086 ("we find the assertions in para. No. 30, combining the references "material misrepresentations" "knowingly made" and "to procure" a registration, to constitute an allegation of respondent's intent.").

As to Registrants claim that "... Paragraphs 10 and 11 are based on a false legal premise and thus provide no plausible basis for an intent to deceive..." because "...incontestability cannot be relied upon in a dispute before the TTAB...," Petitioner notes that Registrant is effectively rewriting Petitioner's claims to support its argument. The "reliance in dispute" of Paragraph 10 and 11 is not confined to reliance in support of a legal claim in a proceeding before the TTAB, but pertains to any reliance in dispute, whether it be, to rely on incontestability in attempt to dissuade the other party from registration and use

(as Registrant does in its pleadings before the TTAB; see, for example, Petition Para. 6), or to rely on it in support of a legal claim against the other party in the courts.

In view of the foregoing, Petitioner has met, and exceeded, the standard for constructing a well-pleaded claim of fraud, including the element of intent.

III. Conclusion

For all of the foregoing reasons, the Board should deny Registrant's motion to dismiss.

Dated: November 19, 2014

By: 

Tom Scharfeld
President
Spoonjack LLC
220 Lombard St. STE 217
San Francisco, CA 94111
(415) 318-2414
tas@spoonjack.com

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing PETITIONER'S OPPOSITON TO REGISTRANT'S MOTION TO DISMISS was served on this 19th day of November 2014, via first class mail, U.S. postal service, postage prepaid upon:

James D. Weinberger, Esq.
Fross Zelnick Lehrman & Zissu, P.C.
866 United Nations Plaza, 6th Floor
New York, NY 10017

By:/Tom Scharfeld/